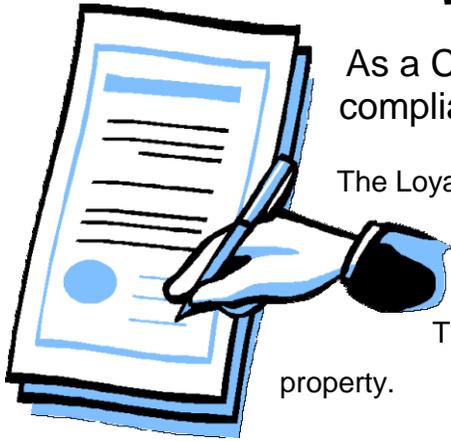


# Community Covenants



As a Community are we all working together to be compliant?

The Loyalist Estates Community is a typical developing subdivision where the developer, in this case, the Kaitlin Corp. has placed a restrictive covenant in your purchase agreement.

This places limitations on what can or cannot be done on your property.

Developers of new subdivisions use covenants to ensure that the land is developed with uniformity. For example, a subdivision may have a restrictive covenant preventing the storage of any boats or trucks in the driveways, or prohibiting the installment of satellite dishes or clothes lines. Some restrictive covenants are not legally binding, particularly if they are considered arbitrary or contrary to public interest. Restrictive covenants are generally valid for a specific period of time, usually around ten years or as long as the developer chooses to enforce them<sup>1</sup>. Restrictive covenants can also apply to the purchase of a resale home, unless they have expired. Restrictive covenants usually expire when the development of the subdivision has been completed or at a specific date. Every property has its own set of rights and obligations. A real estate lawyer can help you understand any easements or restrictive covenants affecting your property.

It is likely that most, if not all residents, within the Loyalist Estates have signed such a restrictive covenant at the time they entered into a contract with Kaitlin for their home. The LCCRA Executive has received several enquiries about the restrictive covenant that is currently in place for our community and the need to remind Loyalist Estates residents of their compliance obligations. The LCCRA Executive has reviewed several Loyalist Estates restricted covenants dating back to 2002 and has found them all to have similar restrictions that impact our property and what we can and cannot do. This restrictive covenant document is a contractual agreement that we all signed and through that signature we all agreed to comply with those restrictions as our commitment to preserving the appearance of our community and promoting our lifestyle to prospective new community residents.

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<sup>1</sup> Covenants issued by Kaitlin typically expire on December 31, 2037

The LCCRA Executive encourages every resident to take the time to review their own signed restrictive covenant and be aware of the following points:

1. The houses built by the previous developer (Garth Bent) may well have had a similar covenant but it is unclear if they can be enforced. It is possible that Kaitlin's offer to purchase the bankrupt development included a clause that they would be responsible for enforcing existing contracts.
2. All covenants issued by Kaitlin Corp. can only be enforced by the Kaitlin Corp.

***(The LCCRA Executive represents the Loyalist Estate Community as a volunteer group with a mandate to advise on and support community activities. The LCCRA Executive has no enforcement powers.)***